

Decision Report - Executive Decision

Forward Plan Reference: FP/22/11/14

Decision Date - 15/03/23



Software Reseller Framework

Executive Member(s): Cllr Mike Rigby - Lead Member for Transport and Digital

Local Member(s) and Division: N/A

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1. Summary / Background

- 1.1** This paper requests the awarding of a software services framework contract to three suppliers, details as per the attached confidential report (Appendix B). The purpose of the award is to support the future Somerset Council in delivering best value across a wide range of software products.

2. Recommendations

2.1. The Executive:

- **Approves the award of a four year contract to the three suppliers identified in the attached Confidential Appendix B for the supply of computer software and associated services from 1 May 2023.**
- **Agrees that Appendix B be treated in confidence, as the case for the public interest in maintaining the exemption outweighs the public interest in disclosing that information.**
- **To agree to exclude the press and public from the meeting where there is any discussion at the meeting regarding exempt or confidential information (Appendix B).**

3. Reasons for recommendations

- 3.1** The Authority intends to create a software services framework agreement appointing three experienced, knowledgeable suppliers able to deliver best value across a wide range of software products. The framework agreement will cover the full range of software applications required by the Authority.
- 3.2** Suppliers will be capable of sourcing a wide range of products from leading software vendors, as well as niche and specific solutions on behalf of the Authority.
- 3.3** The Authority will be able to utilise a direct award procedure where a specific requirement can be sourced by only one of the framework providers. For more complex requirements, or where more than one provider can source our requirement, a further competition can be issued to all relevant providers.
- 3.4** In addition to delivering best value in the sourcing of software the proposed framework will enable the authority to be more agile when solutions are required to be delivered more swiftly than current procurement routes allow, and also be able to respond more swiftly to changing prices in the supply market.
- 3.5** The proposed framework would also allow engagement with smaller suppliers that it is not possible to engage with via established frameworks.
- 3.6** The Contract being offered is for a maximum period of 4 years and it is estimated that the full contract value will be in the region of £15 million - £30 million. This is an estimated value based on spend data for software services and includes some contingency to allow for changes in our requirements.
- 3.7** Appendix B contains exempt information. "Exempt Information" is defined by Section 100 of the Local Government Act 1972 and by Schedule 12A to that Act. The information in Appendix A is exempt information because it is considered to fall within paragraph 3 of Schedule 12A. "information relating to the financial of business affairs of any particular person (including authority holding that information). The public interest test is then applied and in this instance it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4. Other options considered

- 4.1.** Different approaches to the sourcing of the required services were considered, this approach being identified as the most appropriate for the following:
 - Appointment of three suppliers, as opposed to a single supplier framework ensures that competitive proposals can be sought to ensure value for money
 - The Authority will also continually review the framework to ensure it is providing best value and framework suppliers will be expected to continually seek to source best value market pricing. The Authority will periodically benchmark and/or challenge Suppliers pricing at any time

during the term of the framework, using a benchmarking tool and/or requesting open book pricing.

- It enables a more agile approach to the sourcing of software where requirements are identified as being required at short notice.

5. Links to County Vision, Business Plan and Medium-Term Financial Strategy

- 5.1.** The proposed contract will support the current MTFP and County Council business plan 2021-23 outcomes:

Ongoing MTFP and LGR business plan savings will involve consolidation and reduction in the number of applications currently in use. To date in order to obtain best value we have used Frameworks provided by the CCS, these typically add on an admin fee of 3% and normally are dominated by established supplier. This framework has only a 1% markup and allows us to include smaller and more local suppliers which aligns with Outcome 5 of the Business Plan.

- 5.2.** There is a direct link to aims and objectives identified through the ICT Strategy and the ability for SCC to work in a modern and efficient way. Technology enabled transformation underpins the priorities of the Core Council Programme and the procurement of software licences only takes place to align the needs of the SCC to end deliverables of the agreed priorities.

6. Consultations and co-production

- 6.1.** Consultation with the public was not considered necessary
- 6.2.** Members of the District ICT teams have been consulted and were asked to be part of the procurement process, unfortunately due to LGR pressures they were unable to assist with scoring.
- 6.3.** No Executive Member conflicts of interest.

7. Financial and Risk Implications

- 7.1.** There is no spend commitment and the Authority reserved the right to purchase in-scope services via other routes during the term of the contract.

The framework pricing is based on cost price plus mark-up methodology (example provided below).

Software Cost Price = £1,000
Provider Mark-Up = 1% (£10)
Total Cost to the Authority = £1,010

The Authority will continually review the framework to ensure it is providing best value and framework suppliers will be expected to continually seek to source best value market pricing. The Authority will periodically benchmark and/or challenge Supplier's pricing at any time during the term of the framework, using a benchmarking tool and/or requesting open book pricing.

- 7.2.** No risks in the awarding of the contract have been identified. There is a risk that the decision to award is not approved meaning that current processes and procedures will continue which may not offer best value and may from a timescale perspective impact the ability of the service to move at the pace that it needs to.

Likelihood	1	Impact	3	Risk Score	3
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8. Legal and HR Implications

- 8.1.** Legal Services worked alongside ICT and Procurement to discuss and agree the approach and the development of the documentation. Details of the tender process followed along with key dates are included in appendix A

- 8.2.** There are no HR Implications

9. Other Implications

9.1. Equalities Implications

Access Implications for access to services have been considered and there will be changes in access to services from the awarding of this contract. Access to services will be considered on a case by case basis for any contracts awarded via the subsequent framework.

Equalities and Diversity It has been agreed that an assessment does not require completing for this contract award. An assessment considering the impact on those with protected characteristics will be undertaken for individual software applications awarded through the framework.

Human Rights Implications for Human Rights were considered as part of the tender process to ensure that the successful suppliers had not been convicted of any offences in relation to Child labour and other forms of trafficking in human beings and that any requirements in relation to the Modern Slavery Act 2015 have been followed

9.2. Community Safety Implications

No community safety implications have been identified

9.3. Sustainability Implications

Whilst there are no sustainability impacts as part of this award this will be considered as part of any contracts awarded via the framework

9.4. Health and Safety Implications

Health and Safety implications have been considered and no Health and Safety implications from the award of this contract have been identified.

9.5. Health and Wellbeing Implications

Health and Wellbeing implications have been considered and no Health and Wellbeing implications from the award of this contract have been identified.

9.6. Social Value

Whilst Social Value was not assessed as part of this exercise where the Authority conducts a further competition with quality evaluation, Suppliers may be asked to submit a Social Value commitment based on the benefits they can deliver if awarded the contract.

10. Scrutiny comments / recommendations:

10.1 This decision was approved at Scrutiny with no recommendations.

11. Background

11.1. With over 250 applications currently in use across the five Councils there is over head on both ICT and Procurement resources to re-procure these in line with contract standing orders. This Framework has been procured to provide a cost effective, agile and compliant route to market for the consolidation and selection of software products for the new authority. It also reduces the overhead on both ICT and Procurement and enables us to more readily engage with new and local suppliers.

11.2. The £15-30M contract cost is an estimate on potential spend over the next four year based upon the current £8M annual spend across all five Councils.

12. Background Papers

12.1 N/A

Report Sign-Off

		Date completed
Legal Implications	Honor Clarke	06/03/23
Governance	Scott Wooldridge	06/03/23
Corporate Finance	Jason Vaughan	06/03/23
Customers, Digital and Workforce	Chris Squire	07/03/23
Property	Paula Hewitt / Oliver Woodhams	07/03/23
Procurement	Claire Griffiths	06/03/23
Senior Manager	Chris Squire	07/03/23
Commissioning Development	Sunita Mills / Ryszard Rusinek	07/03/23
Executive Member	Cllr Mike Rigby - Lead Member for Transport and Digital	06/03/23
<u>Sign-off Key Decision / Consulted on Non-Key Decision</u>		
Local Member		N/A
Opposition Spokesperson	Opposition Spokesperson - Leader - Cllr David Fothergill	07/03/23
Scrutiny Chair	Scrutiny for Policies and Place Committee - Cllr Gwil Wren	07/02/23